

Message Text

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ACTION EUR-25

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-11 L-03

NSAE-00 NSC-07 PA-04 RSC-01 PRS-01 SP-03 SS-20

USIA-15 EB-11 OMB-01 COME-00 TRSE-00 CIEP-03 SIL-01

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FM AMEMBASSY BONN

TO SECSTATE WASHDC 5018

INFO USMISSION BERLIN

AMCONSUL BREMEN

AMCONSUL DUSSELDORF

AMCONSUL FRANKFURT

AMCONSUL HAMBURG

AMCONSUL MUNICH

AMCONSUL STUTTGART

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E.O. 11652: N/A

TAGS: PINT, GW

SUBJECT: JUSOS CRITICIZE SCHMIDT'S ECONOMIC POLICY

SUMMARY: THE SPD PRAESIDIUM REACTED SWIFTLY AND SHARPLY TO THE JUSOS' PUBLIC ATTACK ON SCHMIDT'S ECONOMIC POLICY. THE JUSOS WILL PROBABLY CONTINUE TO MAKE SOME NOISE, BUT ARE NOT EXPECTED TO BE A CRITICAL PROBLEM FOR SCHMIDT. END SUMMARY.

1- THE YOUNG SOCIALIST EXECUTIVE BOARD ISSUED A NINE-POINT STATEMENT ON SEPTEMBER 9, HOLDING THE SCHMIDT GOVERNMENT "PARTLY RESPONSIBLE FOR THE PRESENT ECONOMIC CRISIS IN THE FRG." LABELING SCHMIDT'S STABILIZATION MEASURES AS "A POLICY AGAINST THE INTERESTS OF THE WORKERS," THE DECLARATION SETS FORTH
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THE JUSOS' USUAL ECONOMIC PRESCRIPTION: "SOCIALIZATION"

OF BANKS AND KEY INDUSTRIES, "DEMOCRATIC GUIDANCE" OF INVESTMENTS, PRICE CONTROLS, ETC.

2. THE SPD PARTY PRAESIDIUM RESPONDED THE FOLLOWING DAY WITH TWO SHARP SENTENCES, REJECTING THE JUSO ATTACKS ON SCHMIDT AND EXPRESSING DISAGREEMENT WITH THE JUSOS' ANALYSIS OF THE FRG'S ECONOMIC SITUATION.

3. THIS IS THE JUSOS' FIRST PUBLIC ATTACK ON SCHMIDT SINCE HE BECAME CHANCELLOR, BUT IT IS NOT SURPRISING THAT THEY HAVE CHOSEN TO CONFRONT HIM ON ECONOMIC QUESTIONS. ECONOMIC POLICY IS THE CENTRAL ISSUE AROUND WHICH THE THEORETICAL DEBATE AND POWER STRUGGLE WITHIN THE JUSOS IS REVOLVING. HEIDI WIECZOREK-ZEUL'S EXECUTIVE BOARD, UNDER HEAVY PRESSURE FROM THE MORE EXTREME LEFT STAMOKAPS HAS LITTLE CHOICE BUT TO LOCK HORNS WITH THE MOTHER PARTY ON THE SUBJECT.

4. THE QUICK, NEGATIVE REACTION TO THE SPD PRAESIDIUM DOES NOT, OF COURSE, MEAN THAT THE SPD-JUSO DEBATE IS OVER. HEIDI AND HER EXECUTIVE BOARD, EVEN WITHOUT THEIR PROBLEMS WITH THE STAMOKAPS, FEEL STRONGLY ABOUT THE ECONOMIC POLICY ISSUE, ARE CONVINCED THAT THEIR ANALYSIS IS CORRECT AND WILL CONTINUE TO TRY TO CONVINCE THE REST OF THE PARTY.

5. HOWEVER, THE JUSO OUTBURSTS WILL PROBABLY BE LESS FREQUENT, RECEIVE LESS PUBLICITY AND HAVE LESS OF A NEGATIVE IMPACT ON THE SPD NOW THAN THEY DID IN THE BRANDT ERA. SCHMIDT WILL NOT GIVE THE JUSOS THE FREE REIN WHICH BRANDT PERMITTED THEM, AND THE VOTERS KNOW THIS. EVEN BRANDT, AS PARTY CHAIRMAN, PUBLICLY REPRI-MANDED THE JUSOS SEVERAL TIMES THIS SUMMER. MOST JUSOS ALSO KNOW THAT THEY MUST TOE THE LINE AND DISPLAY PARTY SOLIDARITY IN THE COMING LAENDER ELECTION CAMPAIGNS. THIS IS ALREADY EVIDENT IN HESSEN AND IN SOME PARTS OF BAVARIA, ALTHOUGH SPD-JUSO DISUNITY WILL CONTINUE TO BE EVIDENT IN SOME PARTS OF BAVARIA, ESPECIALLY MUNICH.
HILLENBRAND

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